

REMARKS

This Application has been carefully reviewed in light of the Office Action dated September 4, 2008 (“*Office Action*”). Claims 1-11, 34, 35 and 40-45 are pending in the application. The Examiner rejects Claims 1-11, 34, 35 and 40-45. Applicants respectfully request reconsideration and allowance of all pending claims.

Claim Rejections - 35 U.S.C. § 102

The Examiner rejects Claims 1-11, 34, 35 and 40-45 under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 7,152,042 B1 issued to Arkes (“*Arkes*”). Applicants traverse this rejection and respectfully request reconsideration and allowance of all pending claims.

With respect to anticipation under §102, the Court of Appeals for the Federal Circuit has consistently adhered to the basic principle that: “A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987). In addition, “The identical invention must be shown in as complete detail as is contained in the ... claim,” and “[t]he elements must be arranged as required by the claim.” *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989); *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); M.P.E.P. § 2131 (emphasis added). Additionally, “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” M.P.E.P. § 2143.03 (citing *In re Wilson*, 424 F.2d 1382, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970)).

The Examiner has not met his burden on this stringent requirement. In the Office Action, the Examiner rejects independent Claim 1 by asserting that “*Arkes* discloses a method for receiving points from a customer using a computer terminal for merchandise being offered in the auction.” (Office Action at 2). The Examiner has not addressed the explicit language of Claim 1. For example, the Examiner has not shown at least “determining a minimum opening bid price by applying an auction pricing discount factor in reward points based at least on merchandise being auctioned and the time period of the auction,” as recited in Claim 1. Rather the Examiner cites highly generalized portions of the *Arkes* reference relating to online auctions without regard to whether those portions discuss Applicants’ claims. For example, the cited portions of *Arkes* discloses that participants are “provided on-line bid access to the set of auction items designated for the auction” and “may bid upon an

auction item.” (*Arkes* column 1, line 55-column 2, line 14). Participants and sponsors “typically access the auction facilities through browsers running on personal computers having internet access capabilities.” (*Arkes* column 3, lines 1-3).

However, none of these passages from the *Arkes* reference disclose, teach, or suggest a “minimum opening bid price” that “is based at least on merchandise being auctioned and the time period of the auction,” as recited in Claim 1. By merely citing portions of *Arkes* that relate generally to online auctions, the Examiner has not shown that “each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference” or considered “all words in a claim” in “judging the patentability of that claim against the prior art” as required by the M.P.E.P. and relevant case law. Additionally, to the extent the Examiner is characterizing Applicants’ claims in his reasoning for the § 102 rejection, Applicants disagree with the characterization.

Independent Claims 34 and 40 recite at least the limitation “determining a minimum opening bid price by applying an auction pricing discount factor in reward points based at least on merchandise being auctioned and the time period of the auction,” discussed with respect to Claim 1. The Examiner merely cites a portion of *Arkes* that discloses a minimum opening bid. However, nowhere does the cited portion disclose that the minimum opening bid is determined by “applying an auction pricing discount factor in reward points based at least on merchandise being auctioned and the time period of the auction,” as recited in Claims 34 and 40. The Examiner has therefore not considered “all words in a claim” as required by the M.P.E.P. and relevant case law.

For at least these reasons, Applicants respectfully request reconsideration and allowance of independent Claims 1, 34, and 40 and their dependent claims.

CONCLUSION

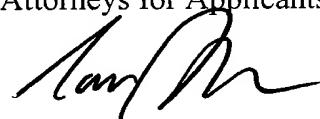
Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons and for other reasons clearly apparent, Applicants respectfully request reconsideration and full allowance of all pending claims.

If there are matters that can be discussed by telephone to further the prosecution of this Application, Applicants invite the Examiner to call the undersigned attorney at (214) 953-6581 at the Examiner's convenience.

Applicants believe that no fees are due. However, the Commissioner is hereby authorized to charge any fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

BAKER BOTTS L.L.P.
Attorneys for Applicants



Samir A. Bhavsar
Reg. No. 41,617

Date: 10/17/08

Correspondence Address:

at Customer No. **05073**